United Nations S/2006/445

Security Council

Distr.: General
30 June 2006

Original: English

Letter dated 28 June 2006 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached fifth report from the Republic of Korea submitted pursuant to paragraph 6 of resolution 1373 (2001) as well as the response of the Republic of Korea to resolution 1624 (2005) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

06-41935 (E) 090806

Annex

Letter dated 8 June 2006 from the Permanent Representative of the Republic of Korea to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

With reference to your letter dated 8 March 2006, I have the honour to submit the fifth report of the Republic of Korea to the Counter-Terrorism Committee pursuant to Security Council resolutions 1373 (2001) and 1624 (2005) (see enclosure).

(*Signed*) Y. J. **Choi**
Permanent Representative

Enclosure

Supplementary report by the Republic of Korea to the Counter-Terrorism Committee pursuant to Security Council resolutions 1373 (2001) and 1624 (2005)

8 June 2006

1. Implementation measures

1.1 The Committee is aware of the Republic of Korea's effort to bring its national criminal legislation into conformity with its international commitments in the area of terrorism. In its fourth report (p. 5), the Republic of Korea states that it is still in the process of enacting draft legislation on the punishment of terrorist bombing and the financing of the terrorism. The Committee would be pleased to receive a progress report on the above-mentioned initiative, including a copy of the new legislation if it has been adopted and of any other counter-terrorism legislation. Could the Republic of Korea describe the primary changes made or planned through this reform and explain how these changes affect other national security legislation?

A. Current Anti-Terrorist Legislation

The draft counter-terrorism bill outlined in the Republic of Korea's fourth report, which included relevant provisions on terrorist bombing, was discarded when the term of the 16th National Assembly was completed in May 2004.

However, discussions are under way in the current 17th National Assembly on similar draft legislation restricting the creation of or contact with terrorist groups, procurement of terrorist funding and support of terrorist activities.

Other draft legislations outlining procedural rules to fight terrorist activities are also being reviewed.

Since 2004, relevant agencies, including the Ministry of Justice and Ministry of Finance, have been devising legislation to deter the channeling of funds into terrorist groups.

Specifically, the Republic of Korea enforces legislation to promote aviation safety and deter the use of aircraft in terrorist activities, reflecting multilateral treaties concerning aviation security. Such legislation restricts in-flight criminal behaviors which undermine aircraft security, assaults on aircraft pilots, the damaging of aircraft and related facilities, hijacking, altering of flight paths, loading of hazardous materials on aircrafts, illegal provision of flight information, and assaults on aircraft.

B. Expected Effects of the Anti-Terrorist Legislation

The legislation will:

a. aid the collection of terrorist information, and the effective execution of appropriate responses ;

b. create direct legal grounds to prosecute members of terrorist groups, and individuals who procure or deliver terrorist funds ;

c. allow relevant authorities to protect the security of the public and the lives and properties of Korean citizens.

1.2 In its fourth report (p. 3), the Republic of Korea states that a counter-terrorism bill has been approved by the Intelligence Committee of the National Assembly but is still under consideration by the Justice Committee of the Assembly. The Committee would welcome a status report on the above-mentioned initiative and a copy of the new legislation if it has been adopted. What are the main changes made or planned through this reform and how do these changes affect other national security legislation?

The 2004 counter-terrorism bill that had been under review by the Justice Committee of the National Assembly was discarded when the Assembly concluded its session. New counter-terrorism bills are currently being debated within the Intelligence Committee of the Assembly. The bills propose the following:

a. Setting up a national counter-terrorism meeting to review relevant policies

b. Creating a counter-terrorism center to integrate intelligence and track terrorist leads

c. Issuing travel warnings to Korean nationals visiting terror-prone regions

d. Devising counter-terrorism policies during important national ceremonies, and at public venues and facilities

e. Assisting post-terrorism recovery efforts by providing support troops

f. Providing compensation for damage to people and property resulting from terrorist activities

Prevention and suppression of the financing of terrorist acts

1.3 The Committee is aware of the laws and regulations adopted by the Republic of Korea with a view to the suppression of terrorist financing in accordance with resolution 1373 (2001). In its fourth report (p. 3), the Republic of Korea states that the Korean Financial Intelligence Unit (KoFIU) plans "to introduce a reporting system for significant cash transactions starting from 2004, under which financial institutions shall be required to report transactions of cash and cashier's checks exceeding a certain threshold, whether they are suspicious or not". The Committee would like to know whether this reporting system has already been established and, if so, to receive a report on its functions and work to date.

A. Purpose of the System

The Currency Transaction Reporting System (CTR) obligates financial institutions to report all currency transactions exceeding a certain threshold amount, thereby complementing the Suspicious Transaction Reporting System (STR), under which financial institutions report suspicious transactions based on their subjective judgment.

In accordance with the revised "Financial Transactions Reporting Act" (January 2005), the CTR system came into effect on January 18, 2006 after a one year preparation period.

B. Transactions Subject to CTR

Any currency transaction (payment/receipt of cash) of an aggregate sum of KRW 50 million or over conducted by the same person on a single day at the same financial institution

Gradual downward adjustment of the threshold amount until 2010

KRW 50 million (2006) → KRW 30 million (2008) → KRW 20 million (2010)

C. Exceptions

Receipts/payments of taxes and wire transfers/currency exchanges no greater than KRW 1 million, which are exempt from the real name identification requirement under the "Real Name Financial Transactions Act", are not included in the aggregate transaction amount.

Cash transactions between financial institutions or transactions between financial institutions and central/local governments or government agencies are exempt from the CTR.

1.4 Does the obligation to report assets and transactions suspected of links with terrorism to the KoFIU apply also in cases where the individual or organization in question is not designated as terrorist? What are the legal reporting duties and the available deprivation mechanisms in such cases?

A. Application of Reporting Obligations to Persons/Entities not on the List of Terrorists

Financial institutions are obliged to report to KoFIU any financial transaction suspected to be related to terrorist financing (Article 4 of the "Financial Transactions Reporting Act").

Financial institutions must report suspicious transactions regardless of whether the persons/entities conducting the transactions are included on the list of terrorists.

B. Punishment

The criminal offence of "financing activities for criminal organizations" is applicable to those who raise funds for terrorists.

Money laundering for the purpose of terrorist financing, which constitutes "hiding or disguise of laundered money", is also punishable under criminal law (Article 3 of the "Proceeds of Crime Act").

Financial institutions are fined if they fail to report to the FIU transactions that they suspect to be related to terrorist financing.

The Commissioner of KoFIU can impose a fine of up to KRW 5 million on such financial institutions.

1.5 Pursuant to paragraph 1 (a) of resolution 1373 (2001), Member States should require financial institutions, lawyers, real estate brokers, accountants, notaries and other professional intermediaries engaged in brokering activities to report suspicious transactions to the relevant authorities. In the third report (p. 5), the Republic of Korea mentions that it intends to consider legislation that would expand the reporting obligation to include other financial intermediaries. The Committee would welcome an outline of the provisions of any draft legislation prepared in this area and a status report on its adoption.

A. Reporting Obligations of Financial Institutions and Other Entities

Under the current "Financial Transactions Reporting Act", the financial institutions that are subject to the STR obligations are not confined to general categories of financial institutions such as banks, securities companies, and insurance companies.

Financial entities that specialize in credit guarantee and entities that are categorized as foreign exchange bureaus under the "Foreign Currency Transactions Act" are also subject to the STR. Almost all entities that are engaged in any type of financial services are subject to the STR.

B. Plans to Apply STR to Casinos

Moreover, as is recommended by the FATF, the Government of the Republic of Korea is currently working to expand the scope of the STR to cover casinos, which are not financial institutions.

1.6 The Committee thanks the Republic of Korea for sharing reports on the implementation of its measures for combating the financing of terrorism and would welcome copies of any other assessments or evaluations carried out by international or regional bodies in connection with the implementation of resolution 1373 (2001), including those related to operational measures.

To date, international organizations have officially evaluated the Republic of Korea twice with regard to Anti Money-Laundering and Combating the Financing of Terrorism (AML/CFT). Specifically, Korea received a mutual

evaluation from the Asia Pacific Group (APG) in 2002. However, the evaluation was associated only with the AML regime, not the CFT, largely because at that time the APG had not yet established its evaluation methodology for the CFT. The Financial Sector Assessment Program (FSAP) carried out jointly by the IMF/WB in 2002 pointed out that there was a need for Korea to enact the Anti-Terrorism Bill.

<FSAP, Main Report>

G. Combating Money Laundering and the Financing of Terrorism

92. Korea has made considerable strides towards observance of the FATF recommendations on combating money laundering and the financing of terrorism. Korea's Financial Intelligence Unit (KoFIU) joined the Egmont Group in June 2002, and its computer database recently came into operation. Nonetheless, further efforts are warranted among others in the following areas. First, expediting the enactment of the Anti Terrorism Bill, consistent with the United Nations International Convention for the Suppression of the Financing of Terrorism of 1999. Second, the limitation of the Real Names Act of access to customer information should be addressed in order to facilitate international cooperation in the investigation of money laundering and financing of terrorism cases. Third, the monetary threshold for suspicious transaction reports should be abolished as soon as is practicable.

1.7 The Committee takes note of the information provided concerning the KoFIU and would like to know whether it is adequately structured, funded, staffed and provided with sufficient technical and other resources to fully perform its authorized functions. How many suspicious transaction reports (STRs) have been received by the KoFIU and, of these, how many relate to the financing of terrorism; how many have resulted in investigations, prosecutions and convictions; and which laws or regulations were the basis for this action?

A. Current Status and Legal Grounds

[Anti-Money Laundering Legislation]

The Financial Transaction Reports Act (FTRA) and the Proceeds of Crime Act (POCA), the two anti-money laundering laws in the Republic of Korea, are the products of concerted efforts involving various entities. In the process, the Korean government reviewed the FATF recommendations, anti-money laundering laws of other jurisdictions, and relevant domestic systems. In addition, the views of relevant administrative bodies, including the Korea Federation of Banks and civil groups, were reflected and a public hearing was also held. Submitted to the National Assembly on November 23, 2000, the two

bills were passed after a nine-month extensive review and came into effect as of November 28, 2001.

[Organizational Structure and Functions]

In accordance with the Financial Transaction Reports Act, the Korea Financial Intelligence Unit, KoFIU was established under the Ministry of Finance and Economy (MOFE) on November 28, 2001.

With the Commissioner as the Head of the organization, KoFIU consists of two offices and four divisions involving 63 experts from various government departments and partner agencies as of the end of 2004. These agencies include the Ministry of Finance and Economy, Ministry of Justice, Financial Supervisory Commission, National Tax Service, Korea Customs Service, National Police Agency, Bank of Korea, and the Financial Supervisory Services. Although KoFIU is housed under MOFE with employees from different agencies, its independence and impartiality in carrying out anti-money laundering tasks are protected and guaranteed by law.

Suspicious transaction data received from financial institutions is examined and analyzed by KoFIU and is then disseminated to law enforcement agencies when it is believed to involve money laundering. The law enforcement agencies include the Public Prosecutor's Office, the National Police Agency, the National Tax Service, the Korea Customs Service, the Financial Supervisory Commission, and the National Election Commission.

KoFIU also supervises/examines financial institutions' AML/CFT regime and provides education/training and promotion. In addition, it cooperates with overseas FIUs and exchanges information related to money laundering and terrorist financing. Guidelines for suspicious transaction reporting and examples of transactions presenting a high risk of money laundering are provided to STR reporting entities. KoFIU develops and operates a top-notch IT system for the efficient management and analysis of financial transaction information.

B. Achievements

To date, the Korea Financial Intelligence Unit (KoFIU) has played an important role in linking the information related to anti-money laundering from financial institutions to law enforcement agencies. It serves as a bridge between financial institutions and law enforcement agencies when the data KoFIU receives on suspicious transactions from financial institutions is collected and analyzed with other secondary information, and then disseminated to law enforcement agencies, including the Public Prosecutor's Office, the National Police Agency, the National Tax Service, the Korea Customs Service, the Financial Supervisory Commission, and the National Election Commission. In addition, it is working as a central AML/CFT agency

in Korea, putting relevant measures in place, and cooperating with international organizations such as the FATF, the Egmont Group, and the APG.

When it comes to an effective AML system, sufficient information on suspicious transactions from financial institutions to KoFIU is an essential component. In that sense, Korea has achieved remarkable progress in its anti-money laundering system, considering its short history. STR filings that stood only at 275 in 2002 surged to 1,744 in 2003, 4,680 in 2004, and 13,459 in 2005. Enhanced awareness amongst financial institutions of the significance of and need for the AML system as well as their active participation seem to have contributed to this substantial increase. This is the result of KoFIU's efforts to provide financial institutions with up-to-date data such as reference typologies and work guides on suspicious transactions, and actively engage in the education and supervision of employees in financial institutions, as well as exchange ideas.

The Korea Financial Intelligence System (KoFIS), established in three stages, has contributed greatly to the successful operation of the AML system. Thanks to the development of the intelligence system, filing, reception, analysis, and dissemination of STRs, which used to be conducted mostly on paper, are now carried out online. STRs are filed on the Internet in electronic format and all inquiries on relevant information needed in the analysis stage and the approval stage are processed electronically.

Meanwhile, the KoFIU has made strenuous efforts to strengthen its analytical capacity in the interests of a timely and effective analysis of the increasing number of suspicious transaction information being filed. The utilization of the knowledge management system which allows for the sharing of the information registered by individual analysts, along with a collection of analyzed case examples which are seen as significant and informative for analysts, have enhanced the expertise and efficiency of the analysis process.

For the effective operation of the anti-money laundering system, not only a well-organized cooperative network among domestic partners but also the participation of and cooperation with international AML bodies, such as the FATF, are essential.

Since its establishment, KoFIU has actively taken part in the work of various anti-money laundering organizations, and continued to sign MOUs with its foreign counterparts. Its major activities include the two-year term as Co-Chair of the Asia/Pacific Group on Money Laundering (APG) and the hosting of the 7th APG Annual Meeting in Seoul in 2004. Furthermore, in 2002 it joined the Egmont Group, an association of FIUs from all over the world, and plays an active role in the Egmont Group's Sub-Committee as a representative of the Asia Region.

Starting with Belgium in March 2002, KoFIU signed bilateral agreements with a total of 29 foreign FIUs at the end of 2005, expanding its cooperative network around the world. Moreover, it is striving to gain membership of the FATF, a leading international organization in the fight against money laundering and terrorist financing.

The implementation of the anti-money laundering system in Korea is recognized as a significant contribution to building a framework for transparent financial transactions. From the perspective of financial institutions, it reduces the risk of being exposed to financial fraud or non-performing loans, enhances the credibility in the international financial market, and improves the overall soundness of financial transactions by protecting the financial market from being exploited by money launderers.

Moreover, this has made it difficult to use financial institutions in an attempt to collect and use illegal funds, promoting the stability of the Korean financial system.

In particular, thanks to the revision of the FTRA, CTR and CDD, duties came into force as of January 2006, in addition to the existing system. These new systems are expected to upgrade Korea's anti-money laundering system.

The Republic of Korea has made significant progress in its AML system through the continuous development of its system, and met most international standards recommended by the FATF. However, given that it still faces many challenges ahead, such as the legislation related to terrorist financing, and the imposition of anti-money laundering duties on the non-banking sector, involving casinos and jewelry, KoFIU plans to gradually come up with measures in close consultation with related agencies and organizations.

1.8 The Committee is pleased to note that the Republic of Korea has outlawed alternative payment and informal funds transfer systems and that article 66 of the Banking Act makes the provision of remittance services without governmental authorization an offence punishable by up to five years' imprisonment. How many informal funds transfer agencies are believed to exist in the Republic of Korea? How do the authorities and the relevant law enforcement agencies enforce the relevant legislation in order to ensure that these entities are not used for money laundering or terrorist purposes?

Article 8 of the Foreign Exchange Transactions Act states that any person who intends to conduct business in foreign exchange affairs (payment, collection, receipt, etc.) between the Republic of Korea and a foreign country shall register such transactions with the Minister of Finance and Economy in advance.

Article 27 of the Foreign Exchange Transactions Act states that a person engaging in foreign exchange activities without completing such registration as provided in the main clause of Article 8 shall be punished by imprisonment for not more than three years or by a fine not exceeding KRW 200 million (roughly US$200,000).

Although it is difficult to track the number of unregistered persons engaging in foreign exchange transactions, the relevant law enforcement agencies, including the Korea Customs Service and the Financial Supervisory Service, are continuously performing supervisory functions.

1.9 The Committee would be grateful for an explanation of the procedures used in the Republic of Korea to identify persons or entities:

- That maintain a bank account;

- On whose behalf a bank account is maintained (i.e. beneficial owners);

- That are the beneficiaries of transactions conducted by professional intermediaries; or

- Who are involved in a financial transaction?

Does the Republic of Korea impose identification obligations on persons who operate trusts in order to obtain information on the trustees, settlers/grantors and beneficiaries? Please outline the procedures that enable foreign law enforcement and other counter-terrorist entities to obtain such information in cases where terrorism is suspected. The Committee would also welcome an outline of the steps that the Republic of Korea has taken or plans to take in order to prevent the use of financial mechanisms that conceal the beneficial ownership of an account.

A. Identification Procedures of Individuals and Entities in Financial Transactions

(1) Identification of Real Names under the Real Names Act (Art.3)

Financial institutions are required to identify the real names of individuals or entities engaging in financial transactions such as opening accounts or remitting money. The institutions identify and verify the real names of individuals from certificates of residence, entities from business registration cards, and, in the case of foreigners, from their passports.

(2) CDD in accordance with FTRA (Art.5-2)

As of January 2006, in order to prevent money laundering, financial institutions should check the information related to identities under the law, in addition to identifying the real names with regard to the Real Names Act, when new accounts are opened or occasional transactions of a value of more than KRW 20 million or USD 10,000 are conducted.

Types of Individuals or Organizations	Check Points (Art.10-4 of the Enforcement Decree)
Individuals (including those who are involved in financial transactions for other individuals, entities, and organizations)	Real names (referred to as the real names in Art.2, Para.4 of the Real Names Act), address and contact information (phone numbers and email address)

Commercial organizations	**Real names, business types, locations of the headquarters and branches, contact information (phone numbers and email address) and real names of heads**
Non-profit organizations and others	**Real names, foundation purposes, main office locations, contact information (phone numbers and email address) and real names of heads**
Foreigners and foreign organizations	**All the above information, nationalities, and locations of permanent address and offices**

B. Measures against Transactions under Borrowed Names

Financial institutions are required to identify the real names of those who are involved in financial transactions and the purpose of their transactions when the individuals or entities are suspected of borrowing names for money laundering. (Art.5-2, Sec. 1, Para. 2 of the Financial Transaction Reports Act)

Moreover, individuals or entities that use borrowed names for criminal purposes are punished under the relevant criminal law such as the Tax Evasion Punishment Act and other criminal laws. Money laundering activities for those purposes are also punished under the Proceeds of Crime Act, and illicit funds and profits will be seized.

1.10 The Committee would like to know what timeframe is established under the Republic of Korea's law for freezing and confiscating funds and assets related to terrorism, pursuant to paragraph 1 (c) of resolution 1373 (2001), and what measures are in place to ensure that this is done expeditiously.

A. Freezing and Confiscation of Terrorist Funds under Current Laws

1) Freezing of Terrorist Funds

- Under Section 15 「Guidelines for Permission of Payment and Receipts by Persons Related to the Taliban and other Terrorist Organizations」 of the 「Foreign Currency Transactions Act」 (established by the Ministry of Finance and Economy),

- A list of terrorists, including those related to Al Qaeda and the Taliban, is released, and those on the list cannot conduct foreign currency transactions unless they have permission from the Governor of the Bank of Korea.

2) Confiscation of Terrorist Funds

- Terrorist funds are "proceeds of crime" under the 「Proceeds of Crime Act」 (Section 2 ii)

- Laundering (Section 3) or receiving (Section 4) of terrorist funds are also criminal offences, and therefore, terrorist funds laundered or received can be confiscated.

B. More Rigorous Measures for Freezing of Terrorist Funds under the "Terrorist Financing Prevention Act"

- The Government of the Republic of Korea is working to enact the "Terrorist Financing Prevention Act".

- The Government is considering the introduction of a system for freezing of assets of those who are not on the list of terrorists but are suspected to be engaged in terrorism based on the investigation by the regulatory authorities.

Investigation methods

1.11 Without compromising sensitive information or ongoing investigations, the Committee would welcome information on the Republic of Korea's use of the following:

- Investigation techniques;

The Government of the Republic of Korea obtains information about terrorist groups by cooperating with international organizations such as Interpol.

Authorities review similar cases in the past, intercept communications and track down funding for illicit operations.

Legislation on investigative techniques specifically concerning terrorism is still pending in the National Assembly.

- Tracking the funds of criminal groups; and

The National Police identify accounts that appear to associate terrorists. Authorities then obtain information about the account holder, determine the possible sources of the funding, and examine past and current business transactions associated with the account. Authorities attempt to arrest not only the persons directly involved with terrorist activities, but elements who mastermind attacks in the shadows.

- Intercepting communications.

In the case that a public pay phone is used to make terrorist threats, the National Police tracks the location of the caller, then dispatches detectives to the location to ambush the caller when a second call is made.

In the case that a cellular phone is used, the Police arrest suspects by identifying the location of the call through sophisticated live tracking methods.

When an attack is initiated through the Internet, the Police investigate the owner of the website and those who repeatedly access the website. The Police arrest suspects when the IP address is successfully identified.

Authorities can trace suspicious communications by obtaining court warrants. In case of an emergency, authorities can obtain ex-post-facto warrants.

In general, however, the Criminal Procedural Law stipulates confiscation, searching, inspection, questioning, wire-tapping, and questioning of eyewitnesses as investigative techniques that may be applied to terrorist activities.

The Republic of Korea also has in place legislation to punish the supplying of funds to criminal groups. Investigative officials can obtain warrants to trace specific bank accounts.

Under the law of the Republic of Korea, financial organizations have the duty to report suspicious transactions and funds greater than a certain threshold amount to the Korea Financial Intelligence Unit. The KoFIU can then report its concerns to the appropriate investigative authorities or track the funds by sharing information with overseas counterparts.

1.12 In order effectively to implement resolution 1373 (2001), States should have in place effective, coordinated executive machinery and should develop and implement adequate national and international counter-terrorism strategies. Please explain how the Republic of Korea's counter-terrorism strategy and policy deal with the following activities:

- Inter-agency cooperation on counter-terrorism-related matters;

- Physical protection of potential terrorist targets;

- Strategic analysis and forecasting of emerging threats;

- Analyses of the efficiency and effectiveness of counter-terrorism legislation and relevant legislative amendments; and

- Monitoring and prevention of trafficking in drugs, weapons, ammunition and explosives.

The Committee would appreciate an outline of the Republic of Korea's legislation, administrative procedures and best practices in these areas.

The Korean government holds counter-terrorism meetings headed by the Prime Minister and comprising 20 Ministers of relevant ministries.

The director in charge of terrorism policy at the National Intelligence Service presides over a counter-terrorism meeting to support the functions of the Counter-Terrorism Standing Committee comprising officials from the relevant ministries.

The National Intelligence Service oversees the Terrorism Intelligence Integration Center, which provides terrorism intelligence to governmental agencies.

Regional counter-terrorism offices and bodies implementing counter-terrorism activities at ports and air terminals, in close cooperation with central counter-terrorism agencies, implement localized counter-terrorism responses.

Governmental authorities provide counter-terrorism advice to officials at important national facilities and infrastructures. Major public venues and facilities are

classified according to their vulnerability to terrorist attacks and are closely monitored. Those facilities marked the highest priority, A, are secured directly by the National Intelligence Agency. The government is devising legislation to regulate the national management of vulnerable facilities.

The government regulates the production, sales, trade and possession of ammunition, explosives and weapons through effective relevant legislation. Authorities conduct thorough surveillance of weapons dealers and shooting ranges to prevent the illegal circulation of weapons and ammunition.

The government conducts searches and investigations two or three times a year to root out illegal weapons and ammunition, and solicits the voluntary registration of weapons and ammunition.

Authorities at ports and air terminals conduct thorough examination of travelers to detect illegal transportation of weapons, ammunition and explosives.

Other legislation is in place to detect and regulate chemicals and biological agents that can be used in terrorist activities.

However, legislations to regulate weapons, ammunition, explosives, and chemicals and biological agents currently focus on administrative processes such as the granting of licenses and permits.

1.13 The Republic of Korea states that its counter-terrorism bill, if adopted, would establish a national counter-terrorism council comprising the relevant authorities and headed by the Prime Minister (second report, p. 11). The Committee would be glad to receive a report on the planned structure and functions of this council.

The proposed National Counter-Terrorism Council would be headed by the Prime Minister and comprise 20 Ministers of the relevant Ministries including the Foreign, Justice, Defense, Environmental, Internal, and Construction Ministries, as well as the National Intelligence Service. It would be charged with reviewing and deciding on national counter-terrorism proposals.

Criminalization and criminal procedure

1.14 Is there a witness protection programme in place in the Republic of Korea? If so, do any features of the programme apply specifically to cases involving terrorism?

Currently, specific legislations regarding witness protection in terrorist cases do not yet exist.

In general, however, the Criminal Procedural Law stipulates that should a witness find it difficult to testify in the presence of a particular individual, the witness can be questioned in isolation. Witnesses can also be questioned out of court rooms in certain cases.

Relevant legislations permit the prosecution to request the police to take appropriate measures for the protection of a witness in hard criminal cases including murder and kidnapping, should the witness be exposed to physical threats.

Concerning severe criminal offenses, drug-related crimes and group criminal activities,

a. the identity of the initial reporter may not be released,

b. video questioning, out-of-court questioning and separate questioning methods can be incorporated,

c. relevant authorities can take protective measures to ensure the safety of witnesses,

d. and reporters of crimes can be notified of the arrest, release, indictment and sentencing of criminals.

1.15 Are there any specific counter-terrorism measures aimed at criminal proceedings? Do special procedures apply to persons accused of terrorist offences during the arrest, detention and trial phases?

There are currently no specific counter-terrorism measures aimed at criminal proceedings in the Republic of Korea.

1.16 The Committee notes that at this stage, the administrative, investigative, prosecutorial and judicial authorities of the Republic of Korea do not receive specific training on terrorism-related issues (fourth report, p. 6). The Committee would like to know whether the Republic of Korea is considering training its law enforcement authorities in terrorist financing methods and techniques and other counter-terrorism issues.

We do not have much to elaborate on this topic.

Effectiveness of international cooperation in criminal matters

1.17 Pursuant to paragraph 2 (f) of resolution 1373 (2001), States should afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing of, or provision of support for, terrorist acts, including assistance in obtaining evidence in their possession necessary for legal proceedings. Could the Republic of Korea outline its principal domestic procedures for cooperation with other States on issues such as the transfer of criminal proceedings and sentenced persons, notification of letters rogatory and recognition of the validity of foreign criminal judgments?

Transfers of criminal proceedings are processed in accordance with the Convention on the Transfer of Sentenced Persons and relevant domestic legislations.

The transfer of criminal proceedings can occur with the voluntary consent of the criminal, the foreign government, the Minister of Justice, and the review of the relevant governmental committee.

The transferee will serve out only the remainder of his term in a Korean prison.

Concerning the issues of the transfer of criminal proceedings and sentenced persons, notification of letters rogatory and recognition of the validity of foreign criminal judgment, no relevant legislations currently exist in the Republic of Korea.

Immigration controls

1.18 Are the locations of asylum seekers in the Republic of Korea monitored? If so, is this handled by the local police or by a national organization?

Local immigration offices are informed of the locations of asylum seekers with a view to maintaining a minimum required management of them and make such necessary measures as interviews available when necessary in accordance with relevant international conventions.

1.19 Does the Republic of Korea permit legal name changes without residency? If so, is some form of positive identification, such as fingerprinting or photographing applicants in their old identities, performed prior to the issuance of new identity documents?

We do not have much to elaborate on this topic.

Border controls

1.20 Pursuant to paragraph 2 (c) and (g) of resolution 1373 (2001), States should ensure the enforcement of effective immigration, customs and border controls in order to prevent the movement of terrorists, the establishment of safe havens and the commission of terrorist acts. The Committee would be grateful to receive details regarding:

- The extent of cooperation and coordination between the different agencies with border control responsibilities, including the modalities and tools used and examples of the results of any joint activity;

The National Intelligence Service (NIS) hosts periodic meetings to discuss counter-terrorism issues among different governmental agencies and to promote information sharing and cooperation.

The NIS provides information concerning individuals suspected of engaging in terrorist activities to national and local governmental agencies.

The Korea Customs Service exchanged memorandums of understanding with regional maritime and military offices to enhance cooperation among the relevant agencies.

- The monitoring strategies and methods used to protect shipments entering and exiting the Republic of Korea's territory, using all modes of transport, from acts of terrorism, and steps taken or to be taken to implement the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade, and

Since July 1, 1996, the Korea Customs Service has been identifying high-risk containers of private shipping and airline companies by utilizing sophisticated

detecting instruments to locate illegal items or materials posing public security threats.

In particular, the Korea Customs Service utilizes both sophisticated electronics equipment and human resources to detect the origin of shipments, the delivery company and shipments of concern.

The Korea Customs Service applies special customs seals to containers suspected of holding illegal items to prevent the escape of such materials during delivery within Korean borders.

The Korea Customs Service currently operates eight sophisticated container search machines at various Korean ports to weed out illegal shipments.

- The mechanisms and safeguards in place to detect and prevent the movement of terrorists across State borders at crossings where there is no official monitoring.

The Korea Customs Service consistently receives relevant information from the NIS. The Korea Customs Service identifies suspected terrorists before they enter Korea and promptly reports activities of concern to the National Police Agency, the NIS, and the Ministry of Justice so that appropriate actions can be taken.

1.21 Pursuant to paragraph 2 of resolution 1373 (2005), States should prevent the movement of terrorists and the establishment of safe havens. The Committee notes that at this stage, the Republic of Korea has "not yet established a specific system to supply advance information concerning suspicious international cargos and passengers to other countries" (fourth report, p. 8). The Committee would be pleased to know whether the Republic of Korea utilizes or is planning to utilize an advanced passenger manifest program to scan inbound passengers on international flights against terrorist databases prior to landing.

Since September 2005, the government has implemented the Advance Passenger Information System (APIS), under which authorities receive mandatory information on incoming passengers from aviation companies to locate and prevent possible criminal activities. Relevant regulations have been in place since March 2005.

Port Security

1.22 In the context of the measures established in the International Maritime Organization (IMO) International Ship and Port Facility Security Code (ISPS), the Committee would welcome information on the measures that the Republic of Korea has implemented in order to prevent unauthorized access to port facilities and to ships moored at such facilities. What safeguards are in place in order to verify the integrity of staff employed at port facilities and on board ships, both upon hiring and during employment and what measures has the Republic of Korea established in order to respond to threats to, or breaches of, the security of port facilities and ship/port interfaces? The Committee would appreciate information on the drills carried out in order to test the effectiveness of the security measures at port facilities and on the outcome of such drills.

Local maritime offices record the frequency of an individual's entry into the Republic of Korea, as well as the objectives of the entry, to determine suspicious activities. Authorities issue entrance permits only to those with adequate credentials.

Personnel wishing to board ships must acquire separate permits from port authorities. Authorities regularly patrol port waters to prevent unauthorized boarding.

Prospective employees of port facilities must pass background checks as provided under domestic regulations. Employees must undergo annual security checks and training.

In order to respond more effectively to security threats, relevant governmental bodies, including the National Intelligence Service, Ministry of Justice, and local port and customs authorities, create and supervise security committees to foment further inter-agency cooperation. Authorities are reviewing criminal legislative options to curb security threats.

In accordance with the ISPS Code, and under the auspices of the Port Facility Security Officer, the Republic of Korea performs security drills for relevant employees every three months in order to enhance preparedness.

The government conducts joint security exercises at major national ports among security officials of various government agencies, and uploads the results onto an official website.

The role of the Korea Coast Guard is particularly important in this regard. The Guard conducts sea patrols of port facilities, tracks down ships suspected of engaging in illegal activities, and devises plans to carry out rescue operations. The Guard conducts particularly thorough patrols of international ports and ships, and Coast Guard Ships are accorded full authority to intercept ships suspected of engaging in illegal activities.

To verify the integrity of its employees and passengers, the Coast Guard relies on an extensive database of terrorism suspects and persons under investigation to detect behaviors of concern. The Guard conducts, every quarter of a year, counter-terrorism exercises jointly with the Korean Navy, involving patrol vessels and maritime SWAT teams. The Korea Coast Guard attempts to strengthen the spirit of mutual cooperation with neighboring partners such as the Japan Coast Guard and Russia Borderline Service.

※ The Korea Coast Guard conducted joint counter-terrorism exercises with the Japan Coast Guard (July 2005), the Russia Borderline Service (Oct 2005), and the India Coast Guard (Nov 2005).

1.23 Regarding the importance of identifying high-risk containers, the Committee would appreciate receiving updated information on the Republic of Korea's cooperation with the United States of America on the Container Security Initiative (CSI).

The Republic of Korea was the 12th country to adopt, in January 2002, the Container Security Initiative (CSI) to strengthen the security of maritime trade. The CSI has been implemented in the port of Busan as of August 4, 2003.

The Customs Service of the port of Busan employs three full-time employees to administer CSI duties.

The Republic of Korea is working closely with its American counterparts to share information and expertise in implementing the CSI. Specifically, shipping companies must report, 24 hours before docking, the list of shipping items to the U.S. Customs Office. The U.S. Customs Office then selects the items of concern and reports the findings to the Korean counterparts. The Korean CSI administrators then use independent information to verify the nature of the concern. The U.S. and Korean CSI administrators use instruments including sophisticated X-ray machines to identify the nature of the items. Finally, authorities discuss whether to allow the materials to proceed along the delivery path to the U.S.

Aviation security

1.24 Does the Republic of Korea intend to make contributions to the International Civil Aviation Organization (ICAO) Plan of Action in order to strengthen aviation security, including through security audits, urgent assistance to States, provision of training courses and of a range of guidance material, and various other projects?

To contribute to the enhancement of global aviation security, the Republic of Korea has dispatched a specialist to participate in the ICAO's Universal Safety Oversight Audit Program. Financially, the Republic of Korea has contributed, as of February 2006, US$342,653 to ICAO activities, and plans to provide an additional contribution of US$220,350 within the 2006 fiscal year.

Moreover, the Republic of Korea plans to contribute US$55,000 to the Cooperative Aviation Security Program-Asia Pacific (CASP-AP) of the ICAO Asia-Pacific Regional Office by April 2006, and an additional US$50,000 in 2007.

The Republic of Korea implements the Aviation Safety & Security Act and its presidential and ministerial decrees to promote efficiency in aviation security administration.

Moreover, the Republic of Korea established the following regulations in compliance with the ICAO Standards and Recommended Practices (SARPs):

- National Aviation Security Program

- National Aviation Contingency Plan

- National Civil Aviation Training Program

- National Aviation Security Quality Control Program

- National Airport Construction and Maintenance Program

- Guidelines on Security Equipment

- Aviation Security Inspector Manual

- Guidelines on Screening Training Institution

1.25 The Committee notes that the Republic of Korea is a contracting State of ICAO. Have you been audited on the basis of the Universal Security Audit Programme (USAP) of the Aviation Security Plan of Action? If so, what difficulties and deficiencies have been identified, particularly with respect to the standards and practices detailed in Annex 17 to the Convention on International Civil Aviation?

The ICAO Universal Security Audit Programme was successfully conducted in the Republic of Korea from November 1 to 11, 2004, including a field audit at Incheon International Airport.

The ICAO audit team released a final report stating that ICAO security standards are currently being implemented satisfactorily in the Republic of Korea.

To enhance its security status, the ICAO audit team provided the Republic of Korea with 13 recommendations. Accordingly, relevant regulations including the National Aviation Security Program and National Aviation Security Quality Control Program were amended on February 28, 2005.

In its official letter of March 24, 2005, the ICAO confirmed and agreed with the corrective actions taken by the Republic of Korea.

Implementation of the 13 international counter-terrorism instruments

1.26 The Committee would appreciate information on the steps taken or planned by the Republic of Korea with a view to becoming a party to the International Convention for the Suppression of Acts of Nuclear Terrorism.

The relevant government agencies, such as the Ministry of Foreign Affairs and Trade and the Ministry of Justice, are currently cooperating to ratify the treaty.

2. Implementation of resolution 1624 (2005)

Paragraph 1

2.1 What measures does the Republic of Korea have in place to prohibit by law and to prevent incitement to commit a terrorist act or acts? What further steps, if any, are under consideration?

No legislations specifically governing the prohibition of terrorist acts currently exist in the Republic of Korea.

However, terrorist acts are punishable by other relevant legislations such as the General Criminal Code and special laws governing criminal behavior. According to the Korean Criminal Code, any person inciting criminal behavior including terrorist acts will be punished in a manner equal to the punishment of the actual perpetrator.

In addition, terrorist funds will be confiscated according to relevant laws, and international transactions with suspected individuals require the approval of the head of the Korean Central Bank.

The Korean Government is currently reviewing draft legislation aimed at deterring the procurement and money-laundering of terrorist funds and the freezing of terrorist finances.

2.2 What measures does the Republic of Korea take to deny safe haven to any persons with respect to whom there is credible and relevant information giving serious reasons for considering that they have been guilty of incitement to commit a terrorist act or acts?

Although there is as yet no specific legislation in that regard, the Republic of Korea denies safe haven to any persons suspected of terrorist behavior by punishing those aiding terrorists at a level equal to the punishment of the actual terrorists.

Paragraph 2

2.3 How does the Republic of Korea cooperate with other States in strengthening the security of its international borders with a view to preventing those guilty of incitement to commit a terrorist act or acts from entering their territory, including by combating fraudulent travel documents and, to the extent attainable, by enhancing terrorist screening and passenger security procedures?

The Republic of Korea is a participant in the Immigration Compliance and Enforcement Team, comprising Immigration Liaison Officers from major industrialized countries. The Team coordinates activities among states to target document counterfeiting and other illegal activities.

Paragraph 3

2.4 What international efforts is the Republic of Korea participating in or considering participating in/initiating in order to enhance dialogue and broaden understanding among civilizations in an effort to prevent the indiscriminate targeting of different religions and cultures?

The Ministry of Culture and Tourism of the Republic of Korea promotes cultural exchanges and various cooperation initiatives to enhance mutual understanding among different peoples and cultures. Such initiatives include the exchange of cultural performance groups, the invitation to Korea of cultural and religious figures, and support for international residents in Korea.

2.5 What steps is the Republic of Korea taking to counter incitement of terrorist acts motivated by extremism and intolerance and to prevent subversion of educational, cultural and religious institutions by terrorists and their supporters?

The Republic of Korea currently has in place the National Security Law and the General Criminal Code to punish extremism and other behavior should they pose a threat to the public or national security of the Republic of Korea.

The subversion of educational, cultural and religious institutions by terrorists and their supporters is punishable under the General Criminal Code.

Paragraph 4

2.6 What is the Republic of Korea doing to ensure that any measures taken to implement paragraphs 1, 2 and 3 of resolution 1624 (2005) comply with all of its obligations under international law, in particular international human rights law, refugee law, and humanitarian law?

We do not have much to elaborate on this topic.